



2011

City of
San José, California

Flexible Benefits Plan
Reference Guide



Accessing Your Benefits

FBMC offers you a variety of resources to make inquiries about your benefits and Medical Reimbursement Accounts (MRA) and Dependent Care Assistance Program (DCAP) accounts, including information from the FBMC website, Interactive Voice Response system (IVR) and our Customer Care Center.

On the Web

Visit “www.myFBMC.com” to access FBMC’s home page. Use the navigational tabs along the top of the Web page to get answers to many of your benefits questions.

If you previously registered an e-mail address and password on FBMC’s website, you may continue using this information. If you haven’t registered, go to the site as a first time user, follow the link on the login page and register through the FBMC Premier Login.

Benefits

You can check your benefit status, read benefit descriptions, use our tax calculator and much more.

FSA Claims

Check the status of your MRA or DCAP claims, download forms, get information about mailing and faxing your claim to FBMC and see transactions that need documentation.

FSA Balance(s)

View your MRA or DCAP balance(s) and contributions or review monthly statements and your transaction history.

myFBMC Card® Visa® Card

Please visit www.myFBMC.com to activate your myFBMC Card®. You may also download a card fact sheet or claim form, read detailed instructions on proper card use and review our IIAS Store List to maximize card convenience. In addition, you can also view a list of eligible Over-the-Counter (OTC) expenses.

Profile

Change your account profile, access your FBMC Member ID or select a new phone Personal Identification Number (PIN).

Resources

Browse through our extensive resource library, including: benefit materials, eligible medical and dependent care expenses, required documentation, OTC drug listings and benefit tips.

FSA Forms

Download applicable forms for FSA reimbursement and Direct Deposit.

Over the Phone

FBMC’s 24-hour automated phone system, IVR, can be reached by calling 1-800-865-FBMC (3262). Allowing you to access your benefits any time, follow the voice prompts to find out information about your benefits such as:

- Current FSA Balance(s)
- Current Active Benefits
- FSA Claim Status
- Mailing Address Verification
- Obtain FSA Claim Forms
- Change Your PIN

Personal Identification Number (PIN)

To access the IVR system, all you need is your Social Security number (SSN). The last four digits of your SSN will be your first PIN. After your initial login, you will be asked to register and select your own confidential PIN to access this system in the future. Your new PIN cannot be the last four digits of your SSN, cannot be longer than eight digits and must be greater than zero.



Record PIN here.

Remember, this will be your PIN for IVR access.

If you forget your PIN, call Customer Care at **1-888-868-5188**.

Note: Please be sure to keep this Reference Guide in a safe, convenient place, and refer to it for benefit information.

2011 City of San José, California

What's New for 2011

- The City of San José has selected Fringe Benefits Management Company (FBMC) as its administrator of Medical Reimbursement Accounts (MRA) and Dependent Care Assistance Plans (DCAP). **If you wish to continue your MRA and/or DCAP, or if you would like to start one, you can enroll online through eWay. You can also meet with an enrollment counselor between November 1 - 30, 2010, to learn more about the benefits of enrolling.**
- The Patient Protection and Affordable Care Act (PPACA) approved by Congress and signed into law by President Obama changes the way some Over-the-Counter (OTC) items qualify for MRA reimbursement. **Beginning January 1, 2011, certain OTC drugs and medicines will no longer be eligible for reimbursement without a prescription from your attending provider.** FBMC will continue to provide updates and post an updated OTC list on www.myFBMC.com as information becomes available. It's important to remember that you can still use your MRA funds for other eligible medical expenses and prescription purchases at pharmacies (as well as use your myFBMC Card® at pharmacies that are part of the IAS Store List on www.myFBMC.com.) Unaffected OTC items will still be reimburseable, as well as affected OTC items with a doctor's prescription. However, OTCs that require a letter of medical need cannot be purchased using the myFBMC Card®.
- A provision in the new PPACA allows for an employee's adult child to be covered under the employee's healthcare plan until they reach age 26. Coverage applies whether adult child is/is not married or is/is not a student. There is no requirement to cover children of dependent children. This provision went into effect on March 30, 2010. For the full definition of an eligible child, view the Flexible Spending Account Frequently Asked Questions (FAQs) at www.myFBMC.com.

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Enrollment at a Glance

Important Enrollment Information

- If you want to enroll in an MRA or DCAP for the 2011 plan year, it is recommended that you meet with an enrollment counselor to determine your election amount, learn about tax savings, and other benefits of enrolling in these valuable plans. Enroll through eWay by November 30, 2010.
- Remember to bring all necessary dependent and beneficiary information to your enrollment session.
- For more information, visit the Fringe Benefits Management Company (FBMC) website at www.myFBMC.com, or contact Customer Care at 1-888-868-5188, Monday - Friday, 4 a.m. - 7 p.m. PT.

Make Your Benefits Work For You – It's Easy!

Before you sign up for an MRA or DCAP, review this reference guide to understand how FSAs can save you and your family a significant amount of tax money. For more information, refer to the Flexible Spending Accounts section beginning on Page 5 of this Reference Guide.

Important Dates to Remember

Your Open Enrollment dates are:
November 1, 2010, through November 30, 2010.

Your Period of Coverage dates are:
January 1, 2011, through December 31, 2011.

Schedule an appointment to meet with an enrollment counselor in November!

Please make plans to make an appointment with an Enrollment Counselor to learn about FSAs and new benefits. In order to make the enrollment process as convenient and efficient as possible, an online scheduling link is available to allow you to schedule a specific date and time to visit an Enrollment Counselor. Schedule an appointment at www.myenrollmentschedule.com/sanjose. Select your work location from the drop-down menu; then simply select a time from the available time slots or you may call 1-866-998-2915 to schedule your appointment date and time.

Flexible Spending Accounts - MRA and DCAP

A Flexible Spending Account (FSA) is an account you set up to pre-fund your anticipated, eligible medical services, medical supplies and dependent care expenses that are normally not covered by your insurance. You can choose from two accounts: Medical Reimbursement Account (MRA) and Dependent Care Assistance Plan (DCAP).

Not only are your MRA funds available to you in one lump sum at the beginning of your plan year, but your funds are deducted before federal and state taxes are calculated on your paycheck.

With either the MRA or DCAP, you benefit from having less **taxable** income in each of your paychecks, which means more **spendable** income to use toward your eligible medical and dependent care expenses.

Once you decide how much to contribute to your MRA and/or DCAP, the amount is deducted in equal amounts from your paychecks during the plan year.

Examples of How to Use Your FSA:

Example 1: Paying a co-payment and doctor/dental fees

After paying your co-payment and doctor/dental fees at a service provider's office, obtain an Explanation of Benefits (EOB) or detailed receipt of the completed services. Submit these documents, along with a claim form to FBMC. Within five business days, FBMC will process your request and mail your reimbursement check to you or direct deposit your funds into the account of your choice.

Example 2: Paying for daycare services

Once you have paid for your child's daycare service, send a completed claim form to FBMC, along with documentation showing the following:

- Name, age and grade of the dependent receiving the service
- Cost of the service
- Name and address of the service provider
- Beginning and ending dates of the service.

Your request will be processed within five business days and either mailed to you or deposited into the account of your choice.

FSA Eligibility

Your MRA may be used to reimburse eligible expenses incurred by yourself, your spouse, your qualifying child or your qualifying relative. You may use your DCAP to receive reimbursement for eligible dependent care expenses for qualifying individuals. **Please see the Flexible Spending Account FAQs at www.myFBMC.com.**

Note: There is no age requirement for a qualifying child if they are physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can establish a MRA. Only the custodial parent of divorced or legally-separated parents can be reimbursed using the DCAP.

FSA Savings Example*

(With FSA)		(Without FSA)
\$31,000	Annual Gross Income	\$31,000
- 5,000	FSA Deposit for Recurring Expenses	- 0
\$26,000	Taxable Gross Income	\$31,000
- 5,889	Federal, Social Security Taxes	-7,021
\$20,111	Annual Net Income	\$23,979
- 0	Cost of Recurring Expenses	-5,000
\$20,111	Spendable Income	\$18,979

By using an FSA to pay for anticipated recurring expenses, you convert the money you save in taxes to additional spendable income. That's a potential annual savings of

\$1,132!

* Based upon a 22.65% tax rate (15% federal and 7.65% Social Security) calculated on a calendar year.

Annual Contribution Limits

For MRA:

Minimum Annual Deposit: None
Maximum Annual Deposit: \$2,500

For DCAP:

Minimum Annual Deposit: None

The maximum contribution depends on your tax filing status.

- If you are married and filing separately, your maximum annual deposit is \$2,500.
- If you are single and head of household, your maximum annual deposit is \$5,000.
- If you are married and filing jointly, your maximum annual deposit is \$5,000.
- If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

Written Certification

When enrolling in either or both FSAs, written notice of agreement with the following will be required:

- I will only use my FSA to pay for IRS-qualified expenses and only for my IRS-eligible dependents
- I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my FSA
- I will not seek reimbursement through any additional source and
- I will collect and maintain sufficient documentation to validate the foregoing.
- I understand that payment will be taken from my paycheck for non-qualified expenses that are paid with the myFBMC Card®.

Flexible Spending Accounts - MRA and DCAP

MRA

A Medical Reimbursement Account is used to pay for eligible medical expenses which aren't covered by your insurance or other plan. These expenses can be incurred by yourself, your spouse, a qualifying child or relative. Your full annual contribution amount is available at the beginning of the plan year, so you don't have to wait for the money to accumulate.

Partial List of Medically Necessary Eligible Expenses*

Acupuncture
Ambulance service
Birth control pills and devices
Chiropractic care
Contact lenses (corrective)
Dental fees
Diagnostic tests/health screening
Doctor fees
Drug addiction/alcoholism treatment
Drugs
Experimental medical treatment
Eyeglasses
Guide dogs
Hearing aids and exams
In vitro fertilization
Injections and vaccinations
Nursing services
Optometrist fees
Orthodontic treatment
OTC items (some require a prescription in 2011)
Prescription drugs to alleviate nicotine withdrawal symptoms
Smoking cessation programs/treatments
Surgery
Transportation for medical care
Weight-loss programs/meetings
Wheelchairs
X-rays

Note: Budget conservatively. No reimbursement or refund of MRA funds is available for services that do not occur within your plan year and grace period.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

Visit www.myFBMC.com for a list of frequently asked questions.

You must keep your documentation for a minimum of one year and submit to FBMC upon request.

DCAP

The Dependent Care Assistance Plan is a great way to pay for eligible dependent care expenses such as after school care, baby-sitting fees, daycare services, nursery and preschool. Eligible dependents include your qualifying child, spouse and/or relative.

Partial List of Eligible DCAP Expenses*

After school care
Baby-sitting fees
Daycare services
Elder care services
In-home care/au pair services
Nursery and preschool
Summer day camps

Note: Budget conservatively. No reimbursement or refund of DCAP FSA funds is available for services that do not occur within your plan year.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

FSA Fund Availability

For MRA:

Once you sign up for an MRA and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

For DCAP:

Once you sign up for a DCAP and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike an MRA, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

Ineligible Expenses

For MRA:

- insurance premiums
- vision warranties, service contracts and
- cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

For DCAP:

- books and supplies
- child support payments or child care if you are a non-custodial parent
- health care or educational tuition costs and
- services provided by your dependent, your spouse's dependent or your child who is under age 19.

Flexible Spending Accounts - MRA and DCAP

A properly completed request will help speed along the process of your reimbursement, allowing you to receive your check or Direct Deposit promptly.

Requesting Reimbursement

For a MRA:

You can use your MRA to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Keep in mind that some eligible expenses are reimbursable on the date available, not the date ordered.

To request reimbursement, simply fax or mail a correctly completed claim form along with the following:

- an invoice or bill from your health care provider listing the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided or
- an Explanation of Benefits (EOB)* from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost and
- a written statement from your health care provider indicating the service was medically necessary (if those services could be deemed cosmetic in nature) accompanied by the invoice or bill for the service.

* EOBs are not required if your coverage is through a HMO.

For a DCAP:

You can request reimbursement from your DCAP as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Remember that for timely processing of your reimbursement, your payroll contributions must be current.

Requesting reimbursement from your DCAP is easy. Simply fax or mail a correctly completed claim form along with documentation showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your DCAP. This information is required with each request for reimbursement.

Note: Cancelled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for either MRA or DCAP reimbursement.

Send All MRA/DCAP Reimbursement Claims to:

Fax Toll-Free: 1-866-923-6317

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Note: If you elect to participate in the DCAP, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

Important FSA Notes:

- You have a **grace period** through March 15, 2012, to exhaust funds for eligible MRA expenses.
- You have a **run-out period** through June 15, 2012 to submit reimbursement requests for all eligible MRA expenses incurred DURING the 2011 plan year.

Appeal Process

If you have a request for a mid-plan year election change, MRA/DCAP reimbursement claim or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to FBMC (Attn: Appeals Process, P. O. Box 1878, Tallahassee, FL, 32302-1878).

Your appeal must include:

- the name of your employer
- the date of the services for which your request was denied
- a copy of the denied request
- the denial letter you received
- why you think your request should not have been denied and
- any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal and supporting documentation will be reviewed upon receipt. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

Note: Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and the IRS' regulations governing the plan.

myFBMC Card® Visa® Card

The myFBMC Card® Visa® Card is issued by UMB.



The myFBMC Card® is a convenient reimbursement option that allows FBMC to electronically reimburse eligible MRA expenses under your employer's plan and IRS guidelines. (The card cannot be used for DCAP expenses.) Because it is a payment card, when you use the myFBMC Card® to pay for eligible expenses, funds are electronically deducted from your account.

myFBMC Card® Advantages

You can use the myFBMC Card® for your eligible Over-the-Counter (OTC) expenses at drugstores. Other advantages include:

- **instant reimbursements** for health care expenses
- **approval** of eligible OTC items
- **no out-of-pocket expense** and
- **easy access** to your account funds.

Note: You **cannot** use the myFBMC Card® for cosmetic dental expenses, eyeglass warranties or OTCs that require a prescription.

Using the myFBMC Card®

For eligible expenses, simply swipe the myFBMC Card® like you would with any other credit card. Whether at your health care provider or at your drugstore, the amount of your eligible expenses will be automatically deducted from your MRA. Eligible OTC and prescription purchases with the card will only be accepted at IAS merchants. For all other qualified expenses, such as medical and dental co-payments, the myFBMC Card® will function normally. To find out if a pharmacy or drugstore near you accepts the card, please refer to the **IAS Store List** at www.myFBMC.com.

Two cards will be sent to you in the mail in a plain envelope; one for you and one for your spouse or eligible dependent. You should keep your cards to use each plan year until their expiration date.

Remember, you can go to www.myFBMC.com to activate your card, see your account information, check for any outstanding Card transactions and view a list of eligible OTC items.

Payback through payroll will be used for card transactions that are not substantiated by claims. The card also may be deactivated if claims are not submitted. Participants will also have to pay for expenses that are not determined to be eligible expenses.

The Patient Protection and Affordable Care Act (PPACA) changes the way some OTC items qualify for MRA reimbursement. **Beginning January 1, 2011, certain OTC drugs and medicines will no longer be eligible for reimbursement without a prescription from your attending provider. Any OTC purchase that requires a prescription cannot be made as a card transaction.**

When Do I Send In Documentation for a myFBMC Card® Expense?

You must send in documentation for certain myFBMC Card® transactions, such as those that are **not** a known office visit or prescription co-payment (as outlined in your health plan's Schedule of Benefits). When requested, you must send in documentation for these transactions. Documentation for a card expense is a statement or bill showing:

- name of the patient
- name of the service provider
- date of service
- type of service (including prescription name) and
- total amount of service.

Note: This documentation must be sent with a **Claim Form** and cannot be processed without it. Like all other MRA documentation, you must keep your myFBMC Card® expense documentation for a minimum of one year, and submit it to FBMC when requested.

If you fail to submit the requested documentation for an myFBMC Card® expense, you will be subject to:

- withholding of payment for an eligible paper claim to offset any outstanding myFBMC Card® transaction
- suspension of your myFBMC Card® privileges
- payback through payroll
- the reporting of any outstanding myFBMC Card® transaction amounts as income on your W-2 at the end of the tax year.

Note: Card transaction disputes must be filed within 60 days of the transaction date.

What Happens if I Have Money Left In My Account At the End of the Plan Year?

These funds will be used first until exhausted — through March 15, 2012, which is the grace period allowed by the IRS. Then, subsequent claims will be debited from your new plan year account balance.

What Agreement Am I Making When I Use the myFBMC Card®?

For more information about the myFBMC Card®, see the Cardholder Agreement that accompanies it.

MRA/DCAP Worksheets

Use the worksheets below to determine how much to deposit in your MRA or DCAP. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual MRA and DCAP descriptions in this Reference Guide for limits.)

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.

Medical Reimbursement Account

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.

UNINSURED MEDICAL EXPENSES

Health insurance deductibles \$ _____

Coinurance or co-payments \$ _____

Vision care \$ _____

Dental care \$ _____

Prescription drugs \$ _____

Travel costs for medical care \$ _____

Other eligible expenses \$ _____

TOTAL \$ _____

DIVIDE by the number of deductions you will receive during the plan year (24).* \div _____

This is your pay period contribution. \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

Dependent Care Assistance Plan

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES

Daycare services \$ _____

In-home care/au pair services \$ _____

Nursery and preschool \$ _____

After school care \$ _____

Summer day camps \$ _____

ELDER CARE SERVICES

Daycare center \$ _____

In-home care \$ _____

TOTAL Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year. \$ _____

DIVIDE by the number of deductions you will receive during the plan year (24).* \div _____

This is your pay period contribution. \$ _____

* If you are a new employee enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

DIRECT DEPOSIT - No one likes waiting for their money, why are you?
With Direct Deposit there are no fees for the service and your FSA reimbursement checks are deposited into the checking or savings account of your choice within 48 hours of claim approval.

Voluntary Benefits

Cancer & Critical Illness Insurance

Critical Illness Insurance provides a substantial cash benefit upon the first diagnosis (the first time a physician identifies a covered condition from its signs or symptoms) of a covered critical illness or conditions to help protect you from the costs associated with them. Your benefit amount is paid in full regardless of any other insurance you may have in force.

Covered Conditions

Invasive Cancer, Heart Attack, Stroke, Renal (Kidney) Failure, Blindness, ALS (Lou Gehrig's Disease), Major Organ Transplant, Paralysis of at least 2 Limbs, Coronary Artery Bypass Surgery (25% benefit), Carcinoma In Situ (25% benefit)

Highlights:

- Lump Sum Benefit ~ You choose a benefit from \$5,000 to \$100,000.
- Portable ~ You can take the policy with you and pay the same premium even if you change jobs or retire.
- Family Coverage Available ~ you can insure your spouse, domestic partner, children, and dependent grandchildren (family members 50% benefit).
- No deductible. No offset for other coverage
- Rates do not increase as the insured gets older. Dependents can convert to their own policy when they no longer qualify as a dependent.
- Benefits are paid to YOU!
- Guaranteed Renewable ~ Coverage remains in force for life, as long as premiums are paid.

Optional Benefits

- Health Screening Benefit ~ This optional benefit pays the cost of one screening test, as defined in the rider, per calendar year up to \$100 maximum for each insured. 60 day waiting period after the effective date.
- EZ Value ~ EZ Value automatically increases your benefits to keep pace with your increasing needs. Your benefit increases each year by the amount of insurance an additional \$1.00 premium will buy.
- Cancer Only Coverage ~ Employees may elect cancer only coverage.

Pre-existing Condition Limitation

In most states no benefit will be paid for any condition caused by or resulting from a pre-existing condition which begins in the first 12 months after the coverage effective date. A pre-existing condition is a sickness or injury for which medical care, diagnosis or advice was received or recommended, or the existence of symptoms which would have caused an ordinarily prudent person to seek medical care, treatment, diagnosis or advice during the 12 months immediately prior to coverage effective date. Limitation may vary by state. Consult your policy for exact terms and conditions.

Underwritten by Trustmark Insurance Company, Lake Forest, Illinois. Most insurance policies contain exclusions, limitations and terms under which the plan may be continued in force. Your representative will be glad to provide you with costs and complete details. See Plan CACI-82001 and other optional riders for your state for exact terms and provisions.

Accident Insurance

You do everything you can to keep your family safe, but accidents do happen. When they do, it's good to know you have help to manage the medical costs associated with accidental injuries. Trustmark's accident insurance helps take care of medical bills, so you can take care of your family.

Schedule of Benefits

Accident Insurance Provides 24-hour Coverage

Initial Care

Hospital Benefits

Admission Benefit (per admission)	\$750
Confinement Benefit (per day up to 365 days)	\$200
ICU Benefit (per day up to 15 days)	\$400
Emergency Room Treatment	\$150

Ambulance

Ground	\$100
Air	\$500
Initial Doctor's Office Visit	\$50
Lodging (per night up to 30 days per accident)	\$100

Surgery Benefit

Open, Abdominal, Thoracic	\$1,000
Exploratory	\$100
Blood, Plasma and Platelets	\$300

Emergency Dental Benefit

Extraction	\$50
Crown	\$150

Follow-Up Care

Accident Follow-up Treatment	\$50
Physical Therapy Up to six visits per person per accident	\$25
Appliance	\$100
Transportation 100+ miles, up to three trips	\$300

Prosthetic Device or Artificial Limb

More than one	\$1,000
One	\$500
Skin Grafts	25% of burn benefit

Voluntary Benefits

Injuries

Fractures

Open reduction	up to \$5,000
Closed reduction	up to \$2,500
Chips	25% of closed amount

Dislocations

Open reduction	up to \$4,000
Closed reduction	up to \$2,000
Laceration	\$25-\$400

Burns

Flat amount for:

3rd degree 35 or more sq. in.	\$10,000
3rd degree 9-34 sq. in.	\$1,500
2nd degree for 36% or more of body	\$750
Concussion	\$100

Eye Injury

Requires surgery or removal of foreign body	\$200
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Herniated Disc

Herniated Disc	\$400
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Loss of Finger, Toe, Hand, Foot or Sight

Loss of both hands, feet, sight of both eyes or any combination of two or more losses	\$15,000
Loss of one hand, foot or sight of one eye	\$7,500
Loss of two or more fingers, toes or any combination of two or more losses	\$1,500
Loss of one finger or one toe	\$750

Tendon/Ligament/Rotator Cuff Injury

Repair of more than one	\$600
Repair of one	\$400
Exploratory surgery without repair	\$100
Torn knee cartilage	\$500
Exploratory surgery	\$100

Wellness Benefit

2 per person/10 per family annually	\$25
Routine physicals, immunizations and health screening tests	

Catastrophic Accident

Employee	\$100,000
Spouse/domestic partner	\$50,000
Child	\$50,000

Accidental Death

Employee	\$25,000
Spouse/domestic partner	\$10,000
Child	\$5,000

Accidental Death – Common Carrier

Employee	\$50,000
Spouse/domestic partner	\$20,000
Child	\$10,000

Employee Accident Disability Benefit

Non-occupational coverage, 6 months maximum — 15% of salary up to \$500 per month

Benefits may vary by state. Most benefits are paid once per person per covered accident unless otherwise noted.

Built-in Features

- **Guaranteed Issue** ~ No medical questions need to be answered by employee or children; one disability question for spouse/domestic partner
- **Guaranteed Renewable** ~ Coverage remains in force for life, as long as premiums are paid
- **Family Coverage** ~ Insure yourself, your spouse, domestic partner, your children and financially dependent grandchildren
- **Complete Portability** ~ Take your policy with you. It's yours to keep even if you change jobs or retire with no increase.
- **Level Premiums** ~ Rates do not increase as you age
- **No Limitations For Pre-Existing Conditions**
- **Convenient Payroll Deduction** ~ No bills to watch for and no checks to mail

Exclusions and Limitations

No benefits will be payable for an injury as the result of a Covered Accident that occurs: During any involvement in any period of any type of armed conflict; while riding in or driving any motor-driven vehicle in a race, stunt show or speed test; while operating, learning to operate, serving as a crew member of or jumping or falling from any aircraft, including those which are not motor-driven (This does not include flying as a fare paying passenger in a scheduled or chartered flight operated by a commercial airline.); while engaging in hang-gliding, bungee jumping, parachuting, sail gliding, parasailing, parakiting or any similar activities; while participating in or practicing for any semi-professional or professional competitive athletic contest in which any compensation is received; while participating or attempting to participate in an illegal activity, whether or not you are charged with a crime; and while committing or attempting to commit suicide or injuring yourself intentionally, whether you are sane or not.

No benefits will be payable for: Sickness or infection including physical or mental condition which is not caused solely by or as a direct result of a Covered Accident.

Underwritten by Trustmark Insurance Company, Lake Forest, Illinois. See Plan A-607 for your state for exact terms and provisions.

Changing Your Coverage

Changing your FSA during the Plan Year

Within **30 days** of a qualifying event, you must submit a Change in Status (CIS)/Election Form and supporting documentation to your employer. Upon the approval of your election change request, your existing FSA(s) elections will be stopped or modified (as appropriate). However, if your FSA election change request is denied, you will have **30 days**, from the date you receive the denial, to file an appeal with your employer. For more information, refer to the "Appeal Process" section on Page 7. Visit www.myFBMC.com for information on rules governing periods of coverage and IRS Special Consistency Rules.

Changes in Status:

Marital Status	A change in marital status includes marriage, death of a spouse, divorce or annulment (legal separation is not recognized in all states).
Change in Number of Tax Dependents	A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.
Change in Status of Employment Affecting Coverage Eligibility	Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan includes commencement or termination of employment.
Gain or Loss of Dependents' Eligibility Status	An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan may include change in age, student, marital, employment or tax dependent status.
Change in Residence*	A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan includes moving out of an HMO service area.

Some Other Permitted Changes:

Coverage and Cost Changes*	Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your Dependent Care FSA benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.
Open Enrollment Under Other Employer's Plan*	You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under their employer's plan if they participate in their employer's plan and: <ul style="list-style-type: none">• the other employer's plan has a different period of coverage (usually a plan year) or• the other employer's plan permits mid-plan year election changes under this event.
Judgment/Decree/Order†	If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.
Medicare/Medicaid†	Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay for the extra cost for group health coverage, on a pretax basis, effective retroactive to the date of the CIS event, if you enroll your new dependent within 30 days of one of the following CIS events: birth, adoption or placement for adoption. Note that a Medical Expense FSA is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.
Family and Medical Leave Act (FMLA) Leave of Absence	Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

* Does not apply to an MRA plan.

† Does not apply to a DCAP plan.

COBRA Q&A

What is Continuation Coverage?

Federal law requires that most group health plans, including MRAs, give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan.

How Long Will Continuation Coverage Last?

For Medical Expense FSAs:

If you fund your MRA entirely, you may continue your MRA (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, **if** you have not already received, as reimbursement, the maximum benefit available under the MRA for the year. For example, if you elected an MRA benefit of \$1,000 for the plan year and have received only \$200 in reimbursement, you may continue your MRA for the remainder of the plan year or until such time that you receive the maximum MRA benefit of \$1,000.

If your employer funds all or any portion of your MRA, you may be eligible to continue your MRA beyond the plan year in which your qualifying event occurs and you may have open enrollment rights at the next open enrollment period. There are special continuation rules for employer-funded MRAs. If you have questions about your employer-funded MRA, you should call Fringe Benefits Management Company (FBMC) at 1-888-868-5188.

For More Information

This *COBRA* Q&A section does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available from your employer. You can get a copy of your summary plan description from **FBMC**.

For more information about your COBRA rights, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa.

Keep Your Address Updated

In order to protect your family’s rights, you should keep your employer and FBMC informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and FBMC.

Beyond Your Benefits

Deferred Compensation (457 Plan)

Participating in the Flexible Benefits Plan may affect your maximum annual contribution to the 457 plan. That is, Flexible Benefits Plan contributions reduce includible compensation* from which the maximum deferrable amount is computed. You should contact the Deferred Compensation vendor or the Tax Deferred Annuity (TDA) provider about the specific effect of the Flexible Benefits Plan.

* Includible compensation is the gross income shown on your W-2 form.

Taxable Benefits and the IRS

Certain benefits may be taxed if you become disabled, depending on how the premiums were paid during the year of the disabling event. Payments, such as disability, from coverages purchased with pre-tax premiums and/or nontaxable employer credits, will be subject to federal income and employment (FICA) tax. If premiums were paid with a combination of pre-tax and after-tax dollars, then any payments received under the plan will be taxed on a pro rata basis. If premiums were paid on a post-tax basis, you will not be taxed on the money you receive from the plan. You can elect to have federal income tax withheld by the provider just as it is withheld from your wages. Consult your personal tax adviser for additional information.

In addition, FICA and Medicare taxes will be withheld from any disability payments paid through six calendar months following the last calendar month in which you worked prior to becoming disabled. Thereafter no FICA or Medicare tax will be withheld.

You will be required by the IRS to pay FICA, Medicare, and federal income taxes on certain other benefit payments, such as those from Hospital Indemnity Insurance, Personal Cancer Expense Insurance and Hospital Intensive Care Insurance, that exceed the actual medical expenses you incur, if these premiums were paid with pre-tax dollars and/or nontaxable employer credits. If you have questions, consult your personal tax adviser.

According to IRS regulations, you can pay life insurance premiums tax free on your first \$50,000 of life insurance. You must pay tax on premiums for coverage exceeding \$50,000.

Notice of Administrator's Capacity

This notice advises MRA and DCAP participants of the identity and relationship between your employer and its Contract Administrator, Fringe Benefits Management Company (FBMC). FBMC is not an insurance company. FBMC has been authorized by your employer to provide administrative services for the MRA and DCAP plans offered herein. FBMC will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against FBMC than would otherwise be afforded to you by law.

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through the Flexible Benefits Plan generally outweigh the Social Security reduction. Call FBMC Customer Care at 1-888-868-5188 for an approximation.

Disclaimer - Health Insurance Benefits Provided Under Health Insurance Plan(s)

Health Insurance benefits will be provided not by your Employer's Flexible Benefits Plan, but by the Health Insurance Plan(s). The types and amounts of health insurance benefits available under the Health Insurance Plan(s), the requirements for participating in the Health Insurance Plan(s) and the other terms and conditions of coverage and benefits of the Health Insurance Plan(s) are set forth from time to time in the Health Insurance Plan(s). All claims to receive benefits under the Health Insurance Plan(s) shall be subject to and governed by the terms and conditions of the Health Insurance Plan(s) and the rules, regulations, policies and procedures from time to time adopted.

FBMC Privacy Notice

4/14/03

This notice applies to products administered by Fringe Benefits Management Company and its wholly-owned subsidiaries (collectively "FBMC"). FBMC takes your privacy very seriously. As a provider of products and services that involve compiling personal—and sometimes, sensitive—information, protecting the confidentiality of that information has been, and will continue to be, a top priority of FBMC. This notice explains how FBMC handles and protects the personal information we collect. Please note that the information we collect and the extent to which we use it will vary depending on the product or service involved. In many cases, we may not collect all of the types of information noted below. FBMC's privacy policy is as follows:

I. We collect only the customer information necessary to consistently deliver responsive services. FBMC collects information that helps serve your needs, provide high standards of Customer Care and fulfill legal and regulatory requirements. The sources and types of information collected generally varies depending on the products or services you request and may include:

- Information provided on enrollment and related forms - for example, name, age, address, Social Security number, e-mail address, annual income, health history, marital status and spousal and beneficiary information.
- Responses from you and others such as information relating to your employment and insurance coverage.
- Information about your relationships with us, such as products and services purchased, transaction history, claims history and premiums.
- Information from hospitals, doctors, laboratories and other companies about your health condition, used to process claims and prevent fraud.

II. Under HIPAA, you have certain rights with respect to your protected health information. You have rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. You also have the right to file a complaint with the Plan in care of FBMC's Privacy Officer or with the Secretary of the U.S. Department of Health and Human Services if you believe your rights under HIPAA have been violated.

Additional information that describes how medical information about you may be used and disclosed and how you can get access to this information is provided electronically on our website: www.myFBMC.com. You have a right to a paper copy at any time. Contact FBMC Customer Care at 1-888-868-5188.

III. We maintain safeguards to ensure information security. We are committed to preventing unauthorized access to personal information. We maintain physical, electronic and procedural safeguards for protecting personal information. We restrict access to personal information to those employees, insurance companies and service providers who need to know that information to provide products or services to you. Any employee who violates our Privacy Policy is subject to disciplinary action.

IV. We limit how, and with whom, we share customer information. We do not sell lists of our customers, and under no circumstances do we share personal health information for marketing purposes. With the following exceptions, we will not disclose your personal information without your written authorization. We may share your personal information with insurance companies with whom you are applying for coverage, or to whom you are submitting a claim. We also may disclose personal information as permitted or required by law or regulation. For example, we may disclose information to comply with an inquiry by a government agency or regulator, in response to a subpoena or to prevent fraud.

We will provide our Privacy Notice to current customers annually and whenever it changes. If you no longer have a customer relationship with us, we will still treat your information under our Privacy Policy, but we will no longer send notices to you. In this notice of our Privacy Policy, the words "you" and "customer" are used to mean any individual who obtains or has obtained an insurance, financial product or service from FBMC that is to be used primarily for personal or family purposes.

Benefits Directory

Fringe Benefits Management Company

FBMC Customer Care Center

Mon - Fri, 4 a.m. - 7 p.m. PT

1-888-868-5188

MRA and DCAP

Automated Services

24 hours a day

1-800-865-FBMC (3262)

www.myFBMC.com

myFBMC Card® Visa® Card

Lost or Stolen Card

24 hours a day

1-888-462-1909

Dispute Line

FBMC Customer Care Center

Mon - Fri, 4 a.m. - 7 p.m. PT

1-888-868-5188

Activation

24 hours a day

www.myFBMC.com

1-888-514-6845

Trustmark

Customer Care Center

Mon - Thurs, 5 a.m. - 5 p.m. PT

Fri, 5 a.m. - 4 p.m. PT

1-866-998-2915

FBMC

Premier Benefits Solutions

Contract Administrator

Fringe Benefits Management Company

P.O. Box 1878 • Tallahassee, Florida 32302-1878

Customer Care 1-888-868-5188 • 1-800-955-8771 (TDD)

www.myFBMC.com

Information contained herein does not constitute an insurance certificate or policy. Certificates will be provided to participants following the start of the plan year, if applicable.